

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11

FUSELLA GROUP, LLC., : Case No. 08-14360(AJG)

Debtor. :
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OPERATING STATEMENT FOR THE PERIOD
NOVEMBER 4, 2008 TO NOVEMBER 30, 2008

DEBTOR'S ADDRESS: 1201 Elder Avenue
Bronx, NY 10472
and
40 DeForest Avenue
East Hanover, NJ 07936

MONTHLY DISBURSEMENTS: \$ 548,256.07

DEBTOR'S ATTORNEY: SCOTT S. MARKOWITZ

REPORT PREPARER: Joseph A. Mazziotti

MONTHLY OPERATING PROFIT (LOSS): \$ (133,836.00)

REPORT PREPARED BY: Joseph A. Mazziotti

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE
DEBTOR.

THE UNDERSIGNED, HAVING REVIEWED THE ATTACHED REPORT AND
BEING FAMILIAR WITH THE DEBTOR'S FINANCIAL AFFAIRS, VERIFIED UNDER
THE PENALTY OF PERJURY, THAT THE INFORMATION CONTAINED THEREIN IS
COMPLETE, ACCURATE AND TRUTHFUL TO THE BEST OF MY KNOWLEDGE.

DATE: January 8, 2009

By: /s/ Vincent J. Fusella, Jr
Vincent J. Fusella, Jr.

INDICATE IF THIS IS AN AMENDED STATEMENT BY CHECKING HERE: []

**FUSELLA GROUP, LLC
 (DEBTOR IN POSSESSION)
 BALANCE SHEET
 NOVEMBER 30, 2008**

ASSETS

Current Assets

Cash	\$ 356,507.43
Accounts Receivable	1,006,854.61
Employee Advances	<u>10,180.88</u>

Total Current Assets	\$ 1,373,542.92
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Property and Equipment - Net	<u>3,004,397.29</u>
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TOTAL ASSETS	<u><u>\$ 4,377,940.21</u></u>
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LIABILITIES AND MEMBERS' DEFICIT

Liabilities not subject to Compromise

Accounts payable	\$ 17,115.61
Accrued union dues payable	64,938.00
Union dues withheld (checkoff)	<u>8,252.73</u>
	\$ 90,306.34

Liabilities subject to Compromise

Operating line of credit	390,000.00
Accounts payable	1,093,006.78
Accrued union dues payable	753,602.83
Notes payable - current	721,275.88
Payroll liabilities	251,064.51
Union dues withheld (checkoff)	124,696.51
Notes payable - non-current	<u>2,065,979.81</u>
	<u>5,399,626.32</u>

Total Liabilities	5,489,932.66
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Members' deficit	<u>(1,111,992.45)</u>
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TOTAL LIABILITIES AND MEMBERS' DEFICIT	<u><u>\$ 4,377,940.21</u></u>
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FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT
PERIOD NOVEMBER 4, 2008 - NOVEMBER 30, 2008

Transportation revenue \$ 323,083.00

Cost of Transportation

Job Related Labor Costs

Job Labor (Gross Wages)	\$ 104,498.77
Fuel	67,231.04
Parts	26,057.90
Repairs & Maintenance	2,472.71
Tires	3,350.00
Tolls	49,000.00
Towing	5,978.97
Vehicle Registration	320.00
Violations	2,984.67
Trucking Expenses - Other	<u>8,072.36</u>

Total costs of transportation \$ 269,966.42

Gross Profit 53,116.58

FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT
PERIOD NOVEMBER 4, 2008 - NOVEMBER 30, 2008

Operating expenses

Bank Service Charges	2,240.65
Computer and Internet Expenses	160.50
Contributions	300.00
Depreciation	24,267.38
Filing Fee	25.00
Gifts	99.95
Guaranteed Payments - G. Fusella	14,000.00
Guaranteed Payments - V. Fusella	14,000.00
Insurance Expense	48,015.31
Finance charge	410.69
Licenses and Permits	67.00
Loan Interest	1,836.18
Miscellaneous	570.61
Office Expense	4,756.30
Office Salary	6,800.00
Payroll Processing Fees	970.19
Postage and Delivery	461.41
Professional Fees	250.00
Radios	1,992.45
Rent	7,606.29
Payroll taxes	9,923.07
Telephone Expense	693.33
Tools & Machinery (under \$500)	1,600.00
Travel & Entertainment	1,655.52
Uniform Cleaning	588.60
Union benefits expense	64,938.00
Utilities	2,145.94
Waste Removal	845.49

Total operating expenses	<u>211,219.86</u>
NET LOSS	(158,103.28)
MEMBERS' DEFICIT - BEGINNING	<u>(953,889.17)</u>
MEMBERS' DEFICIT - ENDING	<u><u>\$ (1,111,992.45)</u></u>

**FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF CASH FLOWS
PERIOD NOVEMBER 4, 2008 TO NOVEMBER 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income \$ (158,103.28)

**ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

DEPRECIATION \$ 24,267.38

decrease in:

Accounts receivable 324,008.10

Increase in:

Accounts payable 18,431.52

Accrued union dues payable 64,938.00

Union dues payable (checkoff) 8,252.73

TOTAL ADJUSTMENTS TO NET INCOME \$ 439,897.73

NET CASH PROVIDED BY OPERATING ACTIVITIES 281,794.45

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on notes payable (16,903.52)

NET CASH USED IN FINANCING ACTIVITIES (16,903.52)

NET INCREASE IN CASH 264,890.93

CASH - BEGINNING 91,616.50

CASH - ENDING \$ 356,507.43